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7 February 1959

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CENTRAL INTELLIGENCE BULLETIN



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DAILY BRIEF

I. THE COMMUNIST BLOC

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USSR-Iraq: An Iraqi delegation is scheduled to visit the Soviet Union shortly to hold further talks on economic and technical cooperation. The Soviet economic and technical assistance mission, which since early January had been discussing Soviet participation in Iraq's new development program, has now left Baghdad for Moscow. The Soviet mission reportedly has quoted offers to Baghdad below Western bids on certain projects.

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No
Iran-USSR: The silence surrounding official circles in Tehran suggests that the Soviet-Iranian treaty negotiations are continuing, despite reports that a breakdown was imminent.

Saudi Arabia: (The Saudi director of petroleum affairs, Abdullah Tariki, has made his strongest criticism of ARAMCO to date. In his campaign to extract larger profits from ARAMCO, Tariki hints that Saudi Arabia will conclude more favorable concession agreements with other companies and is thinking of such measures as "closing" ARAMCO for a month in order to dramatize Saudi demands. Tariki hinted to the American Embassy that Saudi action against ARAMCO must await other developments, notably a substantial improvement in the Saudi Government's financial position.)

OK
Kuwait: Following antimonarchical speeches and anti-Iraq demonstrations during the 1 February holiday celebrating the founding of the UAR, the Ruler of Kuwait has moved to curb reformist and nationalist elements by suspending two local journals and closing down four of the leading political "clubs." Leading nationalists have had their passports taken up; some have been discharged from government jobs; and at least one has been arrested. These actions are in contrast to recent indications that he intended to appease radical Arab nationalism.

No
Laos: The Laotian Government is favorably considering a denunciation of the 1954 Geneva Agreement, primarily because of the restrictive military provision which prevents acceptance of American military training facilities. North Vietnam would regard such a step as a potential threat to its security as well as a danger to the Laotian Communist movement, and would probably react with strong propaganda and official protests and possibly increased military pressure on the border.

III. THE WEST

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Colombia: Disorders, including assassinations of government officials, are reportedly planned by supporters of ousted dictator Rojas for 7 February. Assistant Secretary Rubottom is to arrive in Bogota on that day. Recent disturbances have often included an anti-American theme. [redacted]

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DAILY BRIEF

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Soviet-Iraqi Economic Aid Talks

An official Iraqi delegation is to visit Moscow shortly to hold further talks with Soviet authorities on economic and technical cooperation. This suggests that Baghdad has decided to accept the preliminary offers of Soviet assistance. The Soviet economic mission, which recently returned to Moscow after several weeks of exploratory talks in Baghdad, apparently offered to implement 20 of the 50 projects in the new Iraqi development plan, possibly including a steel plant and a tire factory. It also reportedly offered to drill for oil in Iraq's offshore areas.

The Soviet bids were reported to average 20 percent less than Western bids to make up for the fact that Soviet delivery schedules for material will take up to a year longer than those proposed by Western firms. Recent conditions imposed by Iraq on contractors bidding for development projects are making it increasingly difficult for Western firms to compete.

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II. ASIA-AFRICA

New Saudi Pressure on ARAMCO Indicated

[The Saudi Arabian Government's difficulties in strengthening its finances are likely to result in increased pressure on the Arabian-American Oil Company (ARAMCO) to step up production to furnish additional revenues. Abdulla Tariki, the strongly nationalist director of petroleum affairs, has already indicated a desire to secure changes in the concession agreement, which he charged was "rigged" to maximize profits for ARAMCO's four parent companies in the United States which really make ARAMCO's policies. Tariki also indicated that he was considering opening discussions with German and Italian oil companies for concessions in the highly promising preferential zone, implying suspicion that ARAMCO's parent companies had discouraged other American oil companies from showing interest in meeting Saudi terms for concessions in this area. He added that the results of Venezuelan efforts to extract better terms from foreign oil companies would strongly influence the action of Arab countries.]

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[Tariki admitted that drastic Saudi action against ARAMCO would not be possible until the country's finances had been further strengthened, the international oil companies' virtual control of world oil markets broken, and sufficient Arab technicians trained. He intimated, however, that ARAMCO must be induced to relinquish vast unused areas of its concession for reassignment to other companies. The Saudis seek new agreements which will permit unrestricted sale of oil and give them a share of the profits from its transportation and retail sale. While Tariki has apparently rejected the idea of nationalization in the near future, he did suggest that he was thinking of such measures as "closing ARAMCO for a month" to dramatize Saudi demands.]

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[redacted] Saudi criticism of ARAMCO during the recent budget crisis took note of the fact that during 1958 oil production in Saudi Arabia increased only slightly, while the output in other major oil-producing countries in the area ran significantly ahead of the previous year. [redacted]

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Kuwaiti Ruler Curbs Nationalist Activity

The Ruler of Kuwait has ordered a crackdown on reformist/nationalist activity as a consequence of demonstrations against the ruling family and a series of anti-Iraqi disorders during the celebration of the first anniversary of Egyptian-Syrian unity on 1 February. On 3 February the police were ordered to suspend two local weekly newspapers and to close the four most politically active Kuwaiti "clubs," which in the absence of political parties or representative government are the focus of reformist/nationalist activity. By the next day passports had been withdrawn from the seven most influential nationalist leaders, some of whom were discharged from government jobs and at least one of whom was arrested. These sudden moves will probably intensify nationalist hostility toward the Ruler. He has been trying to appease nationalist sentiment by giving evidence of interest in association with the Egyptian-dominated Arab League and Arab Development Bank and by permitting a visit to Kuwait by the commander of the UAR First Army.

The disturbances in Kuwait were made possible by pro-UAR Deputy Ruler Abdulla Mubarak, who proclaimed 1 February as a holiday in an apparent bid for reformist/nationalist favor. The anti-Qasim tone of the celebrations, and similar views in the nationalist press, strongly suggests Egyptian inspiration. A prominent Egyptian radio announcer, present at the principal nationalist rally, bitterly criticized anti-Nasir Arab leaders and addressed the crowd as the "owners" of Kuwait.

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III. THE WEST

Disorders in Colombia May Coincide With Assistant Secretary Rubottom's Visit

Rioting, assassination attempts, and an explosive political revelation may take place during Assistant Secretary Rubottom's visit to Bogota which begins early on 7 February.

Followers of ousted dictator Rojas may attempt to cause disorders in Bogota on 7 February, and top Colombian Government officials have been warned of possible assassination efforts. Coincidentally the Communist student organization has called for a renewed protest demonstration against a bus-fare increase. Recent demonstrations over bus fares have often included an anti-Yankee theme.

During the same period Rojas, in his testimony before the Senate, may try to prove that Laureano Gomez--currently Colombia's most important political figure after President Lleras--was behind the murder of Jorge Gaitan. The Gaitan murder sparked the bloody Bogota riots of 1948 and, since Gaitan is still the hero of Colombia's poor, evidence purporting to implicate a current political leader would be explosive.

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The Under Secretary of State

The Under Secretary of State for Economic Affairs

The Deputy Under Secretary for Political Affairs

The Deputy Under Secretary for Administration

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